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STATE OF MARYLAND

Ben Steffen
EXECUTIVE DIRECTOR



MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE – BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3460 FAX: 410-358-1236

September 19, 2018

VIA Email & U.S. MAIL

Mark Gold, President
Amatus Health
1825 Woodlawn Drive
Baltimore, MD 21207

**Re: Baltimore Detox Center
Matter No. 18-03-2419**

Dear Mr. Gold:

Staff has reviewed your responses to the Maryland Health Care Commission's ("MHCC") completeness letter of June 26th. Staff requests additional information and clarification for the following completeness questions.

1. Regarding your response to Question #1b, please show in the organizational chart/diagram how MBM Ventures, LLC, Woodlawn Holdings, LLC, and the eight substance abuse treatment facilities or programs listed on pp. 3-4 fit in the organizational hierarchy/structure with Amatus Health, LLC and Baltimore Detox Center.
2. Please provide a response to the following:
 - a. Update your response to *Part III, Applicant History, Statement of Responsibility, Authorization and Release of Information, and Signature*, Item #2 to include the addresses for the two facilities listed as operational in Georgia – Atlanta Detox Center and East Point Recovery Center.
 - b. Some of the dates of involvement listed under Item #2, p. 12 of the CON application disagree with the dates provided in pp. 3-4 of your completeness response. Which dates are correct?

- c. Provide an update on the start of operations at Atlanta Detox Center scheduled for September 2018, and whether this facility has received a license to operate in Georgia.
3. Regarding Attachment 16, please state when Baltimore Detox Center, LLC and Woodlawn Holdings, LLC will sign and finalize this lease agreement.
4. Regarding your response to Question #8b, the applicant needs to:
 - a. Provide a response that addresses the type of services and treatment that a patient will receive: (a) in the 10 detox beds; and (b) in the 14 Level III medically monitored intensive inpatient treatment beds.
 - b. Is the treatment program offered at BDC modeled from the two Level III.7 programs currently provided either at Midwest Detox Center or Atlanta Detox Center? If so, provide information on the treatment model offered by these programs.
5. Regarding your response to Question #10, please state the progress by Foundation Recovery Center ("FRC") in finding another location to operate within the Baltimore metropolitan area and if so, where and when this will occur, especially since the applicant states FRC will be one of the aftercare/follow-up programs offered to BDC patients?
6. Regarding Attachment 18, under Table B, Project Budget, you state under annual lease that the cost for the building is \$240,000, whereas in Attachment 16 the lease agreement with Woodlawn Holdings, LLC, states that the annual cost for the BDC location is \$114,400 (\$9,533.33 x 12). Please reconcile this difference in the cost of rent for this site.
7. Regarding Attachment 20, please respond to the following:
 - a. Please provide information on Blueprints Recovery Center, LLC. Is this a facility that is currently owned or operated by either Amatus Health, LLC, or Baltimore Detox Center, LLC, and if so, incorporate this response with previous Questions #2 and #3 above.
 - b. Since this letter is dated July 24th, is Jeff Cohen, CPA, aware that the cost of this project has increased to \$585,982, and can he attest that the applicant has sufficient resources in cash and liquidity to fund this project at this amount.
8. Regarding your response to Question #15, BDC indicates it will reserve three out of 24 beds (12.5%) for indigent and gray area patients. The applicant "will comply with this standard by accepting for admission indigent and gray area patients who are otherwise not able to be treated in appropriate inpatient settings consistent with their medical needs." BDC would dedicate 12.5% of total bed days to charity care and states "about 15% of total patient days would be provided to indigent and gray patients at no charge."

Please provide a copy of BDC's Charity Care Policy and show in this policy how BDC will incorporate the provision of care for 15% admissions for indigent and gray area patients.

9. Regarding your response to Question #17, please provide an update on BDC's progress and include documentation through signed transfer and referral agreements with:
 - a. Northwest Hospital and/or Sinai Hospital;
 - b. Halfway houses, therapeutic communities, long-term care facilities, and local alcohol and drug abuse intensive and other outpatient programs;
 - c. Local community mental health center or center(s);
 - d. Baltimore County's mental health and alcohol and drug abuse authorities;
 - e. The Behavioral Health Administration and the Mental Hygiene Administration; and
 - f. Any additional Baltimore County agencies that provide prevention, education, driving-while-intoxicated programs, family counseling, and other services.
10. Regarding your response to Question #18, please provide *corrected* Source of Referral Agreements that indicate BDC has entered into a Referral Agreement with "University of Maryland Baltimore Washington Medical Center" and meets the language as indicated in Subparagraph .05K(2) of this standard.
11. Regarding your response to Question #19, Attachment 22, BDC's policy states "Staff education and in-service training activities will be evaluated at least annually (p. 2)," whereas your response indicates that "(A)nnual trainings will be conducted monthly rather than one (1) time per year. Please update your policy on Staff Training and Development to show whether this training is annual or conducted monthly.
12. Regarding your response to Question #20b, please state the number of licensed beds for Level III.7 inpatient residential and Level III.7 detox that are operated at Midwest Detox Center in Ohio and at Atlanta Detox Center in Georgia.
13. The instructions in the CON application (p. 11) states that "Each applicant must respond to all applicable criteria included in COMAR 10.24 .01.08G. The applicant did not address under COMAR 10.24.01.08G(3)(b) "the need of the population served or to be served by the Project." Please provide a response to Question #24, which requested the following:

The CON application instructs the applicant to provide a written description of BDC's expected service area, population size, characteristics/demographics of population served, and projected growth for the population and need for this service. Will this project address the need of special population groups, and if so, identify

those underserved populations and describe how this proposed substance abuse treatment program will address their needs.

14. Regarding your response to Question #25b, the applicant did not address and should provide a response to the following:

Does the applicant contend that the existing Level III.7 detox and medically monitored intensive inpatient treatment programs in Central Maryland (which include Anne Arundel, Baltimore City, and Harford Counties) do not provide *affordable* services for patients seeking such services? Demonstrate that the program established at BDC will be more affordable to patients than receiving treatment at these existing providers.

15. Regarding your response to Question #27, please respond to the following:

- a. The applicant did not provide an adequate response to #27a, which requests a response that addresses requirements (b) through (d) of the CON application. The CON application (pp. 21-22) instructs the applicant to provide a response that addresses the following:
 - b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer. 22
 - c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);
 - d) On costs to the health care delivery system.
- b. The applicant states on p. 20 of your response that "Amatus staff refers patients seeking inpatient treatment services to out-of-area inpatient providers, and not to Ashley, Pathways, or Maryland Detox House." Provide the analysis which supports your assumption that the establishment of BDC's 24-bed Level III.7 program "will likely be no impact on the utilization of the three existing Track One facilities currently operating in Central Maryland."
- c. The applicant's response in (e) states the issue of "boarding" in hospital Emergency Departments, but does not document or provide evidence to support that such a condition exists in Baltimore City or Baltimore County. As previously requested, provide evidence to support your assumption and show how availability and accessibility will improve in CY 2019 "the day BDC opens for admissions."

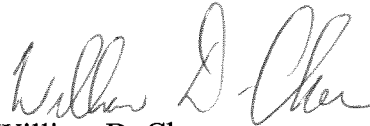
Mark Gold
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Please submit four copies of the responses to the additional information requested in this letter within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

All information supplementing the application must be signed by person(s) available for cross-examination on the facts set forth in the supplementary information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

Should you have any questions regarding this matter, feel free to contact me at either at bill.chan@maryland.gov or by phone at (410) 764-3374.

Sincerely,

A handwritten signature in dark ink, appearing to read "William D. Chan", written in a cursive style.

William D. Chan
Program Manager

cc: Gregory Branch, M.D., Health Officer, Baltimore County Health Department
Carolyn Jacobs, Esq., Jacobs & Dembert, P.A.